

## INSPECTION REPORT

Partial ☐ Complete ☒ Exploration ☐  
 Inspection Date: 08/27/2003 Time: 10:00AM-2:30PM  
 Date of Last Inspection: 07/15/2003

Mine Name: Horizon Mine County: Carbon Permit Number: C/007/020  
 Permittee and/or Operator's Name: Hidden Splendor Resources, Inc.  
 Business Address: 50 West Liberty Street, Suite 880, Reno, Nevada 89501  
 Company Official(s): Shane Hansen  
 State Official(s): Stephen J. Demczak Federal Official(s): None  
 Weather Conditions: Cloudy, 70's  
 Type of Mining Activity: Underground ☐ XXX Surface ☐ Prep Plant ☐ Other ☐  
 Existing Acreage: Permitted 711 Disturbed 9 Regraded ☐ Seeded ☐  
 Status: Active

### REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
  - b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 <sup>th</sup> Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**INSPECTION REPORT**  
(Continuation Sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 08/27/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

**1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE**

The Horizon Mining Permit has been transferred to Hidden Splendor Resources, Inc as of July 1, 2003. The permit will expire on October 11, 2006. There are two conditions set forth in the Mining and Reclamation Permit. These are a) Hidden Splendor Resources, Inc will submit water quality data by using the Electronic Data Input System, and b) to update the permit transfer information in the Mining and Reclamation Plan by August 1, 2003. The permittee requested an extension until September 15, 2003 and it was granted.

No permitting actions have been submitted to the Division by the new permittee. However, the permittee is in the process of updating the transfer information in the Mining and Reclamation Plan.

The SPPC Plan was last reviewed in September 2003.

**2. SIGNS AND MARKERS**

New identification information has been installed as it pertains to Hidden Splendor Resources.

**3. TOPSOIL**

The permittee was in the process of installing the straw bales around the topsoil pile.

**4A. HYDROLOGIC BALANCE: DIVERSIONS**

The diversions were spot-checked. A water hose was partially in a diversion. The permittee removed the water hose.

**4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS**

The sediment pond was not discharging during the inspection. No discharge from the pond has occurred for the quarter.

**4D. HYDROLOGIC BALANCE: WATER MONITORING**

Water monitoring has been taken for the second quarter and will be entered into the Electronic Data System by the end of the third quarter.

**8. NONCOAL WASTE**

The property was clear of non-coal waste material.

**INSPECTION REPORT**  
(Continuation Sheet)

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**15. CESSATION OF OPERATIONS**

The mine is producing coal in the month of August.

**18. SUPPORT FACILITIES/UTILITY INSTALLATIONS**

The permittee is nearly finished with the redesigned beltline.

**21. BONDING AND INSURANCE**

I inspected the insurance accord form. This document meets the minimum requirements of the R645 Coal Rules. The policy will expire on July 1, 2004. The company supplying the insurance is Lexington Insurance Company. The policy is #2916445.

Inspector's Signature: \_\_\_\_\_ Date: September 3, 2003  
Stephen J. Demczak #39

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM  
Alexander Walker, Hidden Splendor, SLC, via email  
Price Field office  
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